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LEGISLATIVE  
UPDATE



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WHY YOU SHOULD READ THIS NEWSLETTER:

The recently completed legislative session created a great deal of public interest. However, you may not have heard the complete story. Please take a moment to read the information within this publication before forming your own opinions about Indiana's current state of affairs.

Proposed Property Tax Relief	Senate passed version	House passed version
Residential Property Tax	25% average decrease	10% average decrease
Agricultural Property Tax	40% average decrease	12% average decrease
Business Property Tax	55% average decrease	24% average decrease

This chart shows simply how the Senate was working in the best interest of Hoosiers by insisting upon substantial property tax relief.

SENATOR YOUNG ACHIEVED A 99.8%  
VOTING ATTENDANCE RECORD THIS YEAR!

A NOTE ABOUT THE STATE'S FINANCES

Dear Friends:

Like many states, Indiana is facing a financial bottom-line far below the levels of just a few years ago. Belt-tightening by state government is called for; however, the budget shortfall does not dictate massive cuts in state funding for local schools. In fact, it is not necessary to lay off one teacher due to Indiana's fiscal condition today.

Even if the 2002 Legislature had passed the tax increases requested by Gov. Frank O'Bannon to fund the state budget, not one more dollar would have been available to schools. Revenue generated by the tax increases would have gone to finance more state spending. In the end, a majority of my Senate colleagues and I were not convinced that taxes should be raised during a recession to avoid government belt-tightening.

Although lawmakers did not accomplish a top-to-bottom overhaul of the state tax structure, let me assure you that the effort did not end with the gavel that concluded this year's 10-week legislative "short session."

We remain committed not only to easing the effects of the property reassessment underway currently, but also to achieving a permanent and meaningful reduction in the unfair property tax and to creating a tax structure which will restore economic vitality to the Hoosier state.

Indiana leads every state in the number of jobs lost; more than 100,000 Hoosier jobs have vanished over the past two years. Recognizing and responding to the changes taking place in the U.S. and world economies is the key to our state's future. That challenge remains before us and, as with the property tax issue, we are committed to overcoming it.

During the legislative session, we were reminded that some four years of work went into Indiana's last major tax reform in 1973. The close of the 2002 Legislature did not mark the end of the line for cutting property taxes and creating a tax climate which attracts jobs to Indiana. Rather, it marked the beginning

Sincerely,

R. Michael Young

R. Michael Young  
State Senator



# SENATOR MIKE YOUNG'S SPRING UPDATE

## ALTERNATIVES TO EDUCATION CUTS ABOUND

Because the 2002 Legislature did not adopt the tax increases requested by Gov. Frank O'Bannon, we have heard from the O'Bannon-Kernan Administration that massive education cuts and teacher lay-offs are imminent. Let me express as clearly as possible: state funding cuts which result in any teacher lay-offs are not necessary.

Our fiscal experts have shown that overinflated figures- from a \$850 million deficit to a \$1.5 billion deficit- continue to overshadow reality. Our calculations conclude that by June 30, 2003, the state would still have about \$200 million in its reserve accounts.

Some contend the 2004-05 budget will plunge the state into bankruptcy. The interesting thing about this argument is that the state of Indiana has not, nor will not, decide 2004-05 appropriations until the 2003 legislative session. Therefore, we do not know how the money will be budgeted.

Since the governor still contends that education cuts are necessary despite the projected \$200 million in reserve accounts, I have suggested examining other strategies which would prevent cuts in funding of education. For example:

- Reduce one percent of base expenditures in consultant contracts, overtime, and the vehicle fleet. Potential savings: \$100 million.
- Transfer funds from inactive accounts outside the general fund that carry balances above their needs, or take more revenues than their purposes require. Potential savings: \$278.4 million.
- Take monthly bids on prison food rather than procure it all through a prime vendor. In September 2000, the state changed the way it purchases food for its 20,000 prison inmates. Instead of taking monthly competitive bids, which enabled several food suppliers to compete, it selected two so-called prime vendors to provide \$25 million of food products this year. By reinstituting the bidding process, the state would save \$1 million to \$5 million per year.
- Place a freeze on buying vehicles. On March 18, 2002, Indiana Legislative Insight reported that the state Department of Natural Resources, which replaces

one-third of its fleet at 75,000 miles each year, purchased 29 new Ford Expedition SUVs at a price of \$27,286 each. If the DNR had chosen to delay this buy due to the budget shortfall, the state would have saved over \$750,000.

- Eliminate the annual budget for Central State Hospital in Indianapolis where there have been no patients since 1994. Potential savings: \$550,000.

- Long after the passage of the current state budget, the governor purchased a new \$4 million dollar state airplane complete with leather seats and a mini-bar. When faced with a similar economic downturn, Governor Evan Bayh sold the governor's plane.

Taking common-sense steps to slow state spending



Senator Young address his Senate colleagues on a bill. Young authored 7 bills and co-authored 12 bills during the 2002 session. He was present for 410 of 411 roll-call votes, for a voting attendance percentage of 99.8.

is called for. Using scare tactics to frighten teachers, students and parents into supporting a tax increase is not.

## MANY ISSUES CONSIDERED DURING LEGISLATIVE SESSION

Despite the fact that a tax restructuring proposal and balanced budget plan were not approved during the 2002 session of the Indiana General Assembly, other important legislation including a measure to protect Hoosier students from sexual misconduct by their teachers, was approved during the short session.

House Bill 1202 would have allowed school corporations to obtain limited background checks and criminal histories on all employees, rather than just new employees as is allowed by current law. It also required a prosecuting attorney to notify the state superintendent of public instruction and the employer when a licensed employee is convicted of certain offenses. Unfortunately HB 1202 was vetoed by the Governor.

\* Senate Bill 19, also vetoed by the governor, would have allowed churches and religious organizations the same 150-acre property tax exemption that is currently given to educational and other non-profit institutions.

\* House Bill 1001 was filed in response to the terrorist attacks on the United States on September 11. The bill establishes the Counterterrorism and Security Council and permits a person to use reasonable force to prevent another person from hijacking or seizing an aircraft in flight.

\* Senate Bill 367 is designed to strengthen Indiana's sex offender registry by creating an Internet registry which includes current photographs and addresses of convicted sex offenders residing or owning property in Indiana.

\* Senate Bill 20 authorizes the Amber Alert Program in Indiana which will allow the Indiana Missing Children Clearinghouse to work with local radio and television stations to broadcast a description of an abducted child and other information to help locate the child quickly.

\* House Bill 1224 contains several important components of election reform including a proposal to adopt unrestricted absentee balloting during the 29 days prior to the election, easier voting methods for members of the U.S. military and their families, and creation of provisional ballots which allow voters who are registered but whose name does not appear on the poll list to cast a ballot. Those ballots are counted once the validity of the voter's registration is determined.

## WHY WAS THERE NOT ENOUGH TIME TO ADDRESS EVERY ISSUE?

The second session of each Indiana General Assembly is called the "short session," where legislators convene only for a short time in the spring. This year the legislature convened on January 7, and was required by law to adjourn before March 15.

In just ten short weeks, the Indiana General Assembly had to consider **963** separate bills.

Here are some other interesting statistics about this session:

Days that the Senate convened for business: **32**

Roll call votes taken in the Senate: **411**

Meetings of Senate standing committees: **105**

Resolutions introduced: **295**

Longest bill: **713 pages**

Number of bills assigned to a conference committee: **97**

Senate bills sent to the Governor to be signed into law: **122**

For more information, visit the General Assembly web-site at [www.in.gov/legislative](http://www.in.gov/legislative)